

**MINUTES
BOARD OF DIRECTORS REGULAR MEETING
NORTH METRO FIRE RESCUE DISTRICT
ADMINISTRATIVE HEADQUARTERS
101 SPADER WAY, BROOMFIELD, CO 80020**

Date: November 13, 2018

BOARD MEMBERS PRESENT:

John Abboud, President
Peter Billera, Vice President
Tim Long, Treasurer
Jenni Murphy, Secretary
Richard Miller, Asst. Secretary

STAFF PRESENT:

David Ramos, Fire Chief
David Anderson, Deputy Chief, Support Services
Jeff Bybee, Deputy Chief, Operations
Lisa Willis, Chief Financial Officer
Eileen Gomez, Human Resources Manager
Steve Gosselin, Division Chief, Fire Prevention
Sara Farris, PIO

LEGAL COUNSEL:

Richard Shearer, Esq.
Joan Fritsche, Esq.

A. Call to Order

Vice President Billera called the Board of Directors meeting to order at 5:00 p.m. on November 13, 2018. He noted that President Abboud was attending the meeting by phone.

B. Pledge of Allegiance – Led by Director Miller

C. Additions/Deletions to Agenda

None.

D. Public Comment (Agenda Items Only)

None.

E. Public Meeting

1. 2019 Proposed Budget

Vice President Billera noted that the public meeting for the proposed 2019 Budget was published as required by law.

Chief Ramos opened the 2019 Budget presentation by stating that staff's goal for this evening was to help prepare the Board for the Study Session on November 27, and that the presentation would be a high-level review and analysis of the General Fund and Capital Fund. The remainder of the Funds will be covered in greater detail tonight to leave more time to focus on the General Fund and Capital Fund at the Study Session.

CFO Willis oriented the Board to the budget notebooks which were provided to the Board and the charts and graphs in the notebooks. She reviewed a graph which shows General Fund revenues and expenditures compared to capital improvements expenditures. This graph was part of the information considered by the Board at the time the decision was made to pursue a mill levy increase. CFO Willis reminded the Board that one of the goals of the mill levy increase was to start a Capital Improvements Fund. CFO Willis discussed General Fund expenditures compared to the overall General Fund balance. She noted that the Board previously directed the District to maintain 30% of budgeted operating expenses for reserves. She noted that the District should end 2018 with \$6.3 million in the Capital Improvements Fund. It has been the District's goal to build this Fund up in early years after the mill levy increase, to ensure adequate funding for future capital needs as staffing levels increase and become a larger portion of the District's total expenditures.

More than 75% of the 2019 General Fund Budget is salaries. The next largest expense category is Supplies and Services. CFO Willis reviewed Supplies and Services spending by division over the past 8 years. She explained why the General Fund expenses have been up and down over the years.

CFO Willis provided further detailed analysis on salary and benefits by division and category. She noted that there would be a 3% cost of living increase for all employees in 2019. Longevity increases are in the union contract. Longevity increases in pay are earned after 10 years on the job. Step and rank increases are for firefighters in the first four years of their employment by the District or upon promotion. CFO Willis explained the negative amount for new hires in administration and fire prevention was due to hiring qualified employees at a lower salary than budgeted. For new hires, the District hired five new firefighters, to replace four retired firefighters and one to cover overtime for paramedic schooling.

Director Long inquired about the increase of more than \$600,000 in salaries and asked how many new full time employees that covered. CFO Willis explained that there was only one new full time employee in 2019, and the majority of this amount is cost of living (COLA), longevity and step increases. Director Long noted that the COLA increases are part of being more competitive in the market for hiring purposes. CFO Willis clarified that the new employee cost is about \$50,000 of the \$600,000 amount, and the rest of the increase is the changes in current employee salaries.

CFO Willis reviewed a summary of benefit accounts for all divisions. The summary includes the contribution to the unfunded Old Hire Pension, which increased 85%. She discussed matching pension and deferred compensation plans as well as Statewide Death and Disability contributions. The Statewide Death and Disability contribution increased by 12% due to the fact that the District has a greater number of employees hired after January 1, 1997 as compared to 2018 as well as a

.01% increase in the Statewide Death and Disability required contribution. The District's Medicare match is also increasing because of an increase in the number of employees.

CFO Willis discussed health insurance premiums and the well-being credit if employees and spouses have wellness exams. The premium increase with the well-being credits caused the overall increase to be 9.1%. The benefit broker fee also increased for the first time since 2010, because of the increase in employee count. CFO Willis noted the District is issuing an RFP for this service in 2019. CFO Willis reviewed increases to life insurance, dental insurance, long-term disability and vision insurance premiums.

Director Long asked where direct primary care benefit fits into the premiums for health insurance. CFO Willis replied that in 2018, the direct primary care premiums were included in health insurance premiums, and the premiums will not be paid by the District in 2019. Increases to contributions to the HSA will offset the direct primary care premiums as a form of health insurance premiums. Director Long noted that the statement by the broker's lawyer regarding direct primary care is a strict interpretation of the law, and he believes that Congress will act on this issue soon. He noted that the direct primary care issue could be addressed during the RFP process for a new broker.

Vice President Billera asked about long-term disability and whether employees contribute to the premium. CFO Willis confirmed that employees do not contribute to the premium, only the District. She clarified that the same applies to the Statewide Death and Disability premiums. Vice President Billera asked if the coverage includes line-of-duty death. Chief Ramos stated that line-of-duty death is covered by the Statewide Death and Disability Plan. Vice President Billera asked if the insurance policy and the plan pay if the death is in the line-of-duty. CFO Willis replied that in the case of a line-of-duty death, the life insurance coverage would pay a benefit of \$50,000 and the Statewide Death and Disability Plan will pay benefits at a rate of 70% of base salary to the spouse. There is no line-of-duty death benefit associated with the long-term disability policy.

Chief Ramos clarified that the increase to Statewide Death and Disability Plan premium only applies to employees hired after January 1, 1997, and will include the five rookies that were recently hired.

CFO Willis noted that one of the Strategic Plan goals was to improve the accuracy of accounting and reporting of costs for divisions, and she recently divided benefit accounts by division. For 2019, she has allocated promotion exams, wellness, and physicals by division. The allocation is important when reviewing Supplies and Services accounts. CFO Willis noted that the allocations by division has made some division accounts appear to have large increases or decreases.

Director Miller noted that the District will have one more full-time employee in 2019. CFO Willis agreed, unless there is an unexpected resignation. Chief Ramos noted that he had asked to hire two employees above the maximum staffing. He noted that there were two recent retirements, one of which was a surprise. He had hired two new employees to cover while some current employees are in paramedic school, but the unexpected retirement has left the District with only one employee for this purpose.

Director Miller asked about minimum staffing and the Board's authority to allow additional hiring above the authorized maximum staffing cap. Chief Ramos confirmed that the Board does have this authority. The Board approves staffing levels through the budgeting process. If a new position is intended to be a permanent full-time employee and hiring the employee will exceed the authorized staffing level, it must be requested through the budget process. For 2019, Chief Ramos asked for a temporary maximum staffing increase of two firefighters to cover the firefighters who will be off line attending paramedic school. The increase in authorized staffing will be eliminated through attrition over the next few years.

Director Long asked for an overview of what is going on in Emergency Services in the area in terms of salaries and hiring movement. Chief Ramos said there have been some changes to firefighter wages over the past few years, and more departments have become competitive in the market. North Metro Fire also has increased wages to remain competitive. Another change by the District was to reduce firefighter rank steps from five to four. Chief Ramos noted that some of the cost increase is due to a change in budgeting which moved some expenditures for operations personnel out of administration and into the emergency services portion of the budget. Chief Ramos also discussed new training expenses including Blue Card training, a new certification that is expensive due to overtime and training costs. He added that the increase in total personnel over the past several years is driving up other costs such as bunker gear.

CFO Willis reviewed the other funds in the budget beginning with the Ambulance Membership Fund. This fund has had a problem with the cost of transports exceeding membership fees. The fund is not fully funded and will need a transfer from the General Fund, estimated at \$40,000 for 2019.

CFO Willis discussed the Old Hire Pension Fund, which will receive a \$500,000 transfer from the General Fund in 2019. She noted a decrease in 2018 pension payments from the amount in the budget for 2018. The 2018 budget was based upon a 2.5% COLA increase, but the actual amount of the increase after the budget was adopted was 1.5%. The 2019 budget presented to the Board in December will have an updated pension payment amount that reflects the actual amount of any COLA increase. There is no actuarial expense in 2019 since this study is conducted every other year.

CFO Willis reviewed the Debt Service Fund, which is used to pay the General Obligation Bonds. She noted there is a slight increase in property tax revenue due to small adjustments in property values and new construction. Interest income has been budgeted at \$20,000. She has changed the way she budgets for refunds and abatements based on the calculations from the counties. She will not record refunds and abatements in this fund in the future since not all counties break out this information. Director Long asked if the change is okay with the auditor. CFO Willis replied that the auditor is good with recording refunds and abatement in the General Fund.

CFO Willis discussed the Debt Service C.O.P. Fund, which is funded with revenue from the General Fund. Director Miller asked when the payoff for this debt would occur. CFO Willis replied that the C.O.P. obligation will be paid off in 2028, and the General Obligation Bonds will be paid off in 2025. During the refinancing in 2015, the District took advantage of an interest rate

reduction, but it did not shorten the length of the payoff period. The C.O.P. can be paid down early, starting in 2020.

CFO Willis reviewed the Absence Reserve Fund, which is funded with a transfer of \$220,000 from the General Fund each year. She budgets payouts for accrued, but unused leave based on known retirements with a slight cushion.

CFO Willis discussed the Mutual Aid Trust Fund, which is a pass-through fund. The Jeffco/Adams Hazmat Authority asked both counties for a 5% increase, which was approved.

There was no public comment on the 2019 Proposed Budget.

Director Long asked whether there was a 2019 Balance Sheet. CFO Willis replied that the State of Colorado only requires an income statement budget. She suggested that Director Long might be thinking of the cash flow projections she presents in February or March. Director Long noted that he wants a perspective of the District's debt. CFO Willis responded that debt only shows up on the audited financial statements. She suggested looking at the balance sheet in the December 31, 2017 audit which shows debt as a liability. Chief Ramos reminded the Board that the District has two forms of debt, and the General Obligation Bonds will be retired in 2025 and the C.O.P. will be paid off in 2028. He offered to provide the debt information at the Study Session if the Board would like.

Vice President Billera closed the Budget Hearing.

F. Presentations

1. PIO Presentation

PIO Farris reviewed the article about the Citizens Academy in the Broomfield Enterprise. The District assisted with a Thornton fatal fire, which was picked up nationally. There was coverage of the plane crash in Anthem that was also picked up by the AP. There was a good turnout for the Friends and Family CPR classes and the Stop the Bleed classes in early November. There are upcoming breast cancer screenings with a mobile mammography van.

PIO Farris advised the Board that the District had deployed a wildland crew to California last weekend to fight the Camp Fire outside Chico, CA, and there was media coverage of the deployment.

Upcoming events include the District's holiday party on December 8 and Noel Northglenn.

G. Staff Reports

1. Proposed 2019 Board Meeting Calendar

Chief Ramos noted that there was one change to the 2019 proposed Board meeting calendar due to a conflict with the SDA conference. The September meeting was moved to the fourth Tuesday. He is asking the Board to approve the calendar tonight.

2. Project Updates

Chief Ramos said the two retiring firefighters are Engineer Miller who retired in November after 33 years, and Captain Randall who will retire in January. They will have a combined retirement party next year, and the Board will be invited.

Chief Ramos reminded the Board of two agreements that provide for District reimbursement for the cost to build water and gas line infrastructure to the Training Center. The first agreement is with the City and County of Broomfield, for the construction of the waterline to the Training Center. (The waterline was completed in 2010.) The Agreement provided for the District to recover the cost of the waterline when other entities tap onto the line. The initial cost to the District was \$1.2 million. When all development and future taps are complete, the District's net expense will be \$170,000. The District received \$50,000 in 2009 for the first tap and another \$59,000 recently for another tap.

Similarly, the District extended a gas line when it built Station 67. The District received \$1,900 recently for a tap onto that line. These agreements should bring a few hundred thousand dollars of additional revenue over the next few years. Director Long asked who is paying for the taps. Chief Ramos replied that most often the payment comes from the City and County of Broomfield through water tap fees associated with new construction. There are also individual agreements with developers.

H. Action Items

1. A MOTION TO APPROVE THE CONSENT CALENDAR WAS MADE BY DIRECTOR MILLER AND SECONDED BY DIRECTOR MURPHY. THE MOTION PASSED UNANIMOUSLY.
 - a) Approval of accounts payable checks 47202 through 47318 and online Bill Pay 2018-92 through 2018-101 for a net total of \$527,312.30. Voided checks: 47243, 47272, 47273, 47274, 47279, 47280, 47281, 47282 and 47283.
 - b) Approval of minutes from the October 16, 2018 regular district board meeting.
2. A MOTION TO APPROVE THE PROPOSED 2019 BOARD MEETING SCHEDULE AND POSTING LOCATIONS WAS MADE BY DIRECTOR LONG AND SECONDED BY DIRECTOR MURPHY. THE MOTION PASSED UNANIMOUSLY.

I. Attorney's Report

Attorney Shearer advised that in addition to the written report, he had one update. He noted that the former occupational medicine provider had obtained most of the employee medical records that were misplaced, and the medical records will be transferred to the current District medical service provider by the end of this week. Attorney Shearer noted that having past medical records available is important for statutory presumptions that require baseline medical data related to cancer, circulatory illnesses and PTSD.

J. Public Comment

None.

K. Directors' Reports

Director Miller commented that he hopes President Abboud returns quickly.

Director Long complimented everyone involved in the budget process. He noted that he believes cost allocations to the divisions is the right thing to do. He offered his prayers to the firefighters on the fire line at the Paradise fire in California.


Director Murphy echoed Director Long.

President Abboud said he has always been proud of the firefighters in the organization. Now that he has been a patient, he has an even better feel for how good the firefighters are. He appreciated their professionalism and their caring attitude. He thanked CFO Willis for a great budget presentation.

Vice President Billera offered his thoughts and prayers for those outside the District fighting wildfires. He was blown away by the budget charts and graphs. He was glad to hear that there was a good turnout for CPR and Stop the Bleed classes. He wished President Abboud the best results.

L. Executive Session

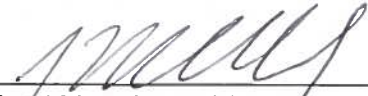
A MOTION WAS MADE BY DIRECTOR MILLER AND SECONDED BY DIRECTOR LONG TO GO INTO EXECUTIVE SESSION AT 6:36 P.M. PURSUANT TO C.R.S. § 24-6-402(4) (B) TO RECEIVE ADVICE OF LEGAL COUNSEL REGARDING A COST OF LIVING ADJUSTMENT FOR THE OLD HIRE PENSION PLAN. THE MOTION PASSED UNANIMOUSLY. ATTORNEY SHEARER CERTIFIED FOR THE RECORD THAT THE RECORDING DEVICE COULD BE TURNED OFF, AS THE MATTERS TO BE DISCUSSED IN EXECUTIVE SESSION WOULD CONSTITUTE PRIVILEGED ATTORNEY-CLIENT COMMUNICATIONS.


Richard Shearer, Esq.
JOAN M FRITSCHE, ESQ.


A MOTION WAS MADE BY DIRECTOR MILLER AND SECONDED BY DIRECTOR MURPHY TO COME OUT OF EXECUTIVE SESSION AT 7:18 P.M. THE MOTION PASSED UNANIMOUSLY.

M. Recess/Adjournment

A MOTION TO ADJOURN THE MEETING WAS MADE BY DIRECTOR LONG AND SECONDED BY DIRECTOR MILLER. THE MOTION PASSED UNANIMOUSLY. THE MEETING ADJOURNED AT 7:19 P.M.




John Abboud, President



Jenni Murphy, Secretary

I hereby attest that the information communicated during the Executive Session, which was not recorded, constituted privileged attorney-client communications.



Richard Shearer, Esq.
JOAN W. FRITSCH, ESQ.

I hereby attest that the Executive Session, which was not recorded, was confined to the topics authorized for discussion in Executive Session pursuant to C.R.S. §24-6-402(4) (b).



John Abboud, President